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The FCC  
Office of the Secretary  
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To be considered as public comments regarding the current system for reimbursement of extraordinary communications costs for schools, a/k/a E-rate.

It is nice that we can celebrate the 10 year anniversary of a good idea. To quote Senator Olympia Snowe, as written in the *District Dispatch from the American Library Association* on March 3, 2007, "The success of the E-Rate Program has undoubtedly touched the lives of many Americans and helped bridge the technological gap in classrooms and libraries throughout the country. In libraries throughout my home state of Maine, the E-Rate program has opened many doors for residents who enjoy exploring the vast possibilities of the Internet in a community setting. I am proud to be involved with such a worthwhile project that not only improves the resources of our students, but helps to strengthen the bonds of our community."

That is fine, when it works. This letter, however, is to make public comments from a not so joyous perspective and, perhaps remind those in charge that the system of applications, denials, appeals, and all the other bureaucratic pieces of the puzzle make life very miserable for small entities who are doing their best, not to grab lots of fancy equipment, but simply to get help with extraordinary telecommunications costs that are a fact of life in rural America. The FCC, on their web site, comments on the impact of the **The Snowe-Rockefeller-Exon-Kerrey Amendment** by stating, "In addition to the seven broad principles, a provision of the Telecommunications Act of 1996 that was sponsored by Senators Olympia Snowe, Jay Rockefeller, James Exon, and Bob Kerrey, directly addresses schools' and libraries' access to communications services. This provision specifies that, upon request, individual telecommunications carriers must provide service to schools and libraries at "*affordable*" rates. The amount of the associated discount is to be reimbursed by the newly established universal service system that is required by the 1996 Act." Despite that bold statement it is reasonable to ask if the *affordable* rates are gained at too great an expense to be worthwhile for many small rural schools. Is it possible that it actually results in a net loss?

I am hired to take care of 60+ computers and the school wide network for a small elementary school in southeastern VT. My secondary responsibility is to help

the teachers use the technology we have and to integrate it as fully as possible into the daily education of our 90 students. E-rate was just thrown my way since it is assumed it is technology based. I am budgeted for only 216 hours a year so, every hour I spend dealing with the USAC is an hour I have to donate or that cannot be allocated to either the network, or more important, the staff. **Every single piece of hardware and software in the building is paid for from the budget.** We have received no funds from either the State or the Federal Government. The only thing we request of E-rate is help with the cost of maintaining our Internet and telephone service. That, I believe, was really the original intent of the Snowe amendment.

It must be understood that I am not an attorney, a business manager, an accountant, nor, quite frankly, do I have a commanding knowledge of telephone and Internet connection lingo. I know about as much as the average person on the street, any one member of the school staff, or any Senator in Washington, DC.

Three years ago, after having many requests for funds denied, a couple of volunteers sat down, studied countless pages of instructions, filled in the form 470, reviewed the **single bid**, filed the form 471 and on and on. They finally managed to get reimbursement for both the phone and the Internet connection and had signed a three-year contract with a provider (connection costs are less with a long term contract). The following year, those volunteers again filed all the necessary paperwork. The third year it became my responsibility. In FY 06/07 the USAC granted our Internet reimbursement yet **denied** our telephone reimbursement **even though** we were working on the last leg of a three year contract and **even though** the forms were filled in **exactly** the same as they had been the years before. I used the previous applicant's successful form responses as a guideline when submitting the 06/07 forms for the school. I, naively, assumed that they had apparently done it correctly since the USAC had not denied any funding the two previous years. To make this denial even more absurd, when the contract was signed there was only **one** bidder. No one, but no one, wants to service rural Vermont any more than they want to service any of rural America which was a big reason for the Snowe amendment in the first place. That began the most frustrating part of my employment to date. That is meaningful to anyone who has to deal with network crashes and Windows errors just to name a couple of my other responsibilities.

Without going into details about the appeals and the process involved, I can say that the FCC now holds a package of paper about ¼ to ½ inch thick as I grew tired of dealing with the USAC and decided to go for broke. The amount of reimbursement in question is roughly \$1000. While I have not billed the school for my time in this matter I would guess that at this point I would be due well over \$700. Why did this happen? The USAC works on a zero tolerance basis with little attention paid to the reality of a situation. In this case they seemed to have struggled to find the least little thing that they could use to deny the reimbursement not even taking into account that they have not, until now, ever raised any objections. I filed an appeal with them that was completely ignored and when I did get to communicate with an individual who could have been some help, they ignored my first email and proceeded to deny funding based on the fact that we

didn't have a valid contract. What has happened to a program that was supposed to benefit schools and libraries, especially little ones like ours? Yes, I understand the fraud situations but there has to remain some fault tolerance especially in areas of the country where collusion is almost impossible because there simply is no one who really wants to provide services in the first place. There is no "people" part of this process because, if you make a mistake, an honest mistake, you lose your funding for another year or have to file mounds of appeals that take hours of time and can take years to be resolved.

What the USAC touts as a straight forward process, file your 470, get your bids, make a decision, file your 471, and then your 486 is hardly that. I also work on antique autos and what makes me groan is when the shop manual says, "take the old one off and put the new one on." You know you are in trouble when you read that. The E-rate process is much the same.

Too intimidated to file for E-rate on your own? Well there are plenty of firms out there who will be happy to do it for you, at a cost. Even they and their employees are currently in the news. If the process were truly beneficial to all those schools and libraries we speak about then, perhaps, it should not have become a profit making venture for so many companies. Pay someone to do it for you, there goes a portion of what you are gaining.

Let's take a look at the tech plan requirements. No, I do not have any problems with planning and it is planning that has gotten our small school where we are. Still, the tech plans, according to law, have to be full of educational lingo which is meaningless to the parents of the students we serve. In fact, the State of Vermont wants these plans to be done on a two-year cycle. There was a large "conference" on March 14<sup>th</sup>, filled with a lot of high paid personnel, just to discuss doing these tech plans. What, may I ask, in terms of dollars spent for employees who certainly have other things to do, is the true cost of creating these tech plans? Since most of the school tech people in Vermont and, I expect elsewhere, are already severely overworked it would seem that this cost should also be subtracted from funds gained through E-rate.

What about record storage? According to the rules **we** have to keep all of our paper for 5 years. This year's file alone is 1 inch thick because of the appeals. Why, because the USAC can't find anything and they always have to ask for it, even if they have received it before. Perhaps if the USAC had to store the paper the process would be a little more streamlined. As a matter of fact, when building my defense for the appeal to the FCC, I asked the USAC for the instructions for form 470 prior to December 2003 and they could not provide me with them. That is certainly not proper. One can sign a long term contract with a provider but if that contract is disputed three or five years later based on current stated requirements vs old stated requirements there is no way to prove or disprove that those requirements were posted plainly when the contract was signed. Do we at the school level have to save pages of pages of instructions every year as well as the rest of what has been generated during the process?

In our area we receive no help what-so-ever from any entity when making E-rate applications, not the Supervisory Union, not the State, and certainly not the Federal Government. We are fortunate in that we can get, at very high rates, a broadband connection. Other schools within our supervisory union would literally have to pay tens of thousands of dollars **just** to get connected, not to mention very costly monthly fees. It would seem to me that the heart of the E-rate program was to assist them. Still, no one bothers to apply. Why?

I would suspect that Senator Snowe would find the answer in her own back yard.

The process involved is intimidating. We, in Vermont, must present a budget to the **voters** in March, long before we get any indication of the success or failure of our E-rate application. That budget must accurately show anticipated E-rate reimbursements to be an honest budget but, if funds are denied, the money must be made up by cutting somewhere else. If we, for example, were to have our Internet funds denied due to a simple error, and that is all it would be, the dollars lost would be impossible to scavenge from other parts of the budget without doing serious harm. That is a terrifying possibility to a real person like me.

It doesn't help that the USAC deals in threats. Do this, do that, we must have this in 15 days but we (the USAC) don't have to respond or even ask relevant questions. A constant threat of denial of funds is what makes the USAC the beast that it is. As a matter of fact, when I posted the form 470 for the school this year (FY07/08) I left out "voice mail services" because I was too concerned about getting everything exactly right, reviewing many other 470's to see how "they" did it. We will pay the few dollars a month out of pocket. It was not worth having to file, yet again, for such a simple, inexpensive service, especially when the only bidder on the voice mail service would have been our only telephone bidder anyway. I have been over the various forms at least ten times to see, to the best of my ability, if I made any mistakes. I still expect that I made some terrible error that will come back to haunt me and no one will at least give me the benefit of the doubt.

Those simple forms are a nightmare. 20 pages of instructions for the form 470, 35 pages of instructions for the form 471, 18 pages of instructions for the form 486, and that doesn't include the Item 21 attachment. Sure, the USAC has nice conferences in nice cities to help us out (let's see, I attend a conference and that about shoots my entire budget for the year), not to mention video tapes for review, but **normal** people will be intimidated. Give those forms to random people off the street and see what the results are. Give them to Senator Snowe and tell her she can't have any help completing them. I bet she would make a few mistakes too.

The print outs of the forms are not clear. As much as I hated filling in the FAFSA every year while my child was in college, the print outs were clear, linear, indicated exactly what you responded to and how, and were easy to scrutinize for mistakes. Even after you filed you had an opportunity to correct or change information. The USAC forms do not even print out fully leaving some answers out and, after having to start from scratch many times on forms that were supposed to be saved as incomplete, I now do my best to fill the forms out in a single sitting.

That leads to mistakes. I tire of getting “timed out” when I am trying to do something as simple as email because I have to reference many different items in order to properly communicate with USAC personnel. When I filled in the Item 21 attachments online for the coming years 471 again there were threats of denial of funds if one did not fill in the number of lines yet there was no place to put in the number of lines for Internet connection. Quite honestly, if there is no need to put down the number of Internet lines (connections) why do they threaten denial if it is not filled in? And, with email, if you use their form to request information and get a reply, you can’t email the person who responded with a follow up question, you have to fill in the form again which likely sends your follow up to another individual who will as likely as not give you a different answer.

The technical lingo required is oppressive. On one hand the USAC makes it very clear that one must be leery of enlisting help because it might be construed as bid rigging but, on the other hand, the forms must be explicate in what is being requested. They tell you to talk to your service provider but even they admit that your service provider may use the wrong terminology. Again, ask any Senator if they can read and understand technical telephone “speak”. Personally, I find it impossible to sort through all the “plans” offered for long distance service at home so I quite probably pay too much for my personal long distance calls. I know I am not alone there.

The numbers, oh the numbers. Somewhere there is a statistician who is able to tell you that the more numbers one has to enter on a form and the larger those numbers, the more likely there is going to be an error made. BEN# , 470# , 471#, attachment#, FR#, Spin# , and a host of others.

The people that work for the USAC tend to be polite, they just don’t know any more than I do about the process. Case in point, when my appeal was denied I had to tell the reviewer where my telecom figures came from. He should have had all the school’s information in his hands yet he was focused on the contracted monthly service charge, not all the other varying charges like usage, Universal Service Fees, FCC line charges, all of which amount to a fair amount of money. Most recently, based on information in the latest USAC email I realized that I could request further clarification of things that may come my way. Well, noting that our form 471 was being “Held for Policy Guidance” I emailed a request for further clarification. I queried, “Is it just our form that is being held for Policy Guidance, or all forms in general? Regardless, exactly what policy guidance are you awaiting?” Since I am now completely paranoid in my dealings with the USAC it seemed like an important question. Did I do something wrong? They couldn’t give me an answer beyond the fact that it was being held for policy guidance. Why ask any questions when all they can do is read from the same website that I do?

The USAC web site is a nightmare and I dread having to go there. Sifting through the information and attempting to find something relevant is an extremely time consuming process and, time is money. Even then half the time when you do find information it is not full information, just little snips. So, one thinks that one

has found the answer to a question only to discover later that there was much more to the story (and funding has been denied).

Really, is it too much to ask that the FCC and the various oversight boards tell the USAC to make things a bit more user friendly? Perhaps they should start by allowing those of us who are only looking for telephone and Internet usage charge reimbursements to file much simpler forms without all the internal connection references that just confuse the situation? *Perhaps, perhaps, there should be divisions that are set up to deal with small schools, rural and otherwise, who simply can't afford to pay high priced staff to apply for them or find paying consultants a little distasteful.* In all honesty, if an applicant follows the rules to the best of their ability after wading through tons of information aren't they at least due the benefit of the doubt? This needs to be stressed even more when there is but one bidder because no one really wants your business.

Again, I understand the fraud situation but by making things so complex that outsiders have to be brought in to do the paperwork haven't you just fueled the fire. These firms get paid according to the amount of money they bring in so it is in their best interest to convince the schools to apply for anything and everything possible. They have much to gain by squeezing as much money out of the program as possible which definitely leads to requests for equipment that will likely never be used and a host of other questionable deals created with only profit in mind. As I look into the past, the real intent of E-rate was to help make communications costs *less* of a burden for schools and libraries. It was not to pad the pockets of those who have no stake in the process other than a financial one, nor was it to leave schools like ours struggling to complete a successful application. If the "pros" make a mistake, they don't get paid. If I make a mistake the children and staff at my school do not get the reasonable Internet connection that they need to be prepared for this high tech world. Any wonder why this whole process frightens me?

Who stands to lose more?

Rick Hege,

CC: Senator Patrick Leahy  
Senator Bernard Sanders  
Congressman Peter Welch  
Senator Olympia Snowe